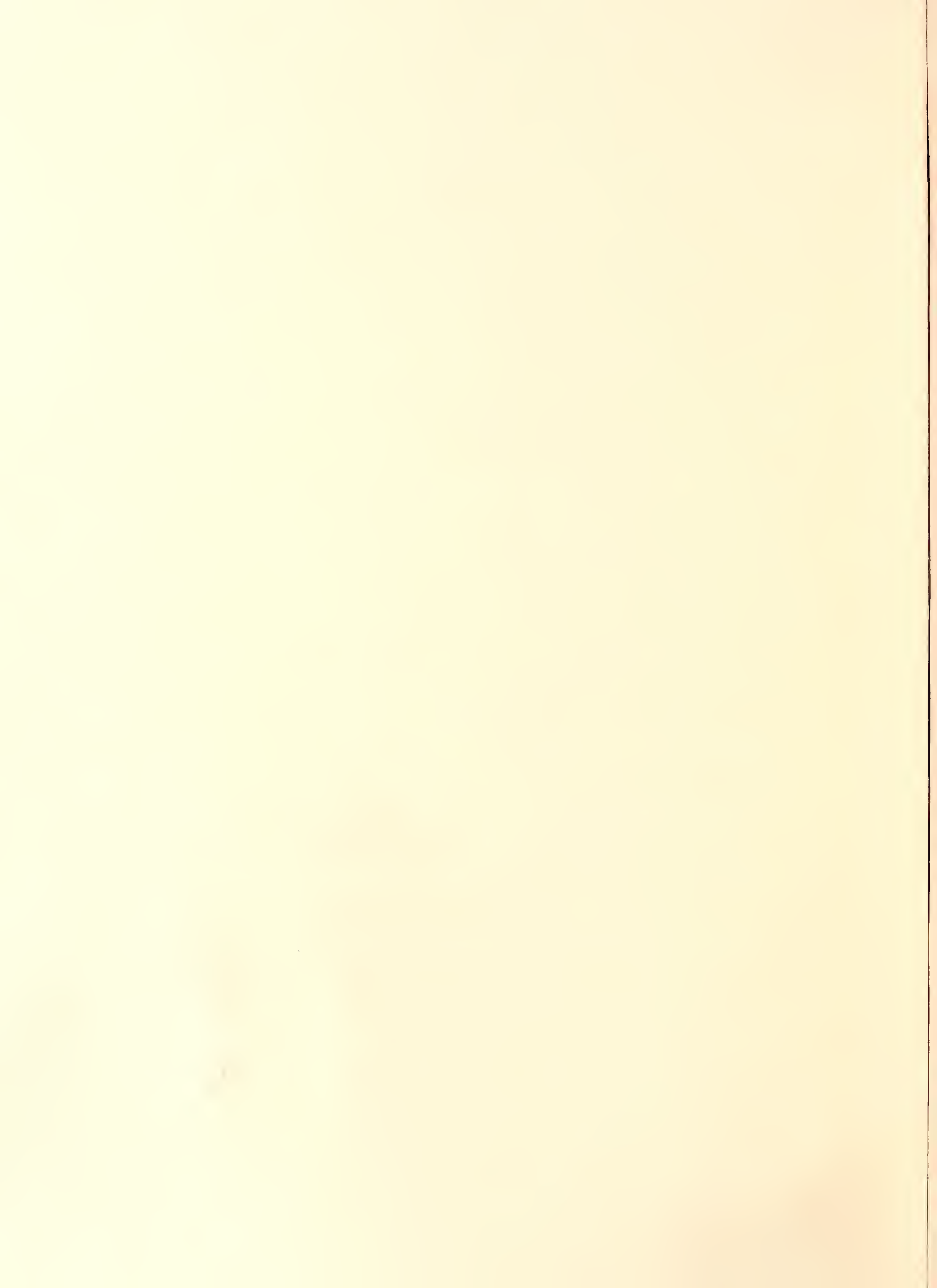


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Volume 5

MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
October 1960

Number 3

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

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MARKET SUMMARY OCTOBER 1960

The Chattanooga Order Minimum uniform producer price is \$4.74 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During October 76.5% of the total producer milk was priced in Class I at \$5.19 per cwt. with a butterfat differential of 8.0 cents and 23.5% was priced in Class II at \$3.52 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 77.0% and 63.8% respectively.

The daily average delivery of producer milk during October increased 1.5% compared with September and increased 11.0% compared with October 1959. The daily average use of Class I milk decreased 7.4% compared with September and decreased 7.8% compared with October 1959.

Handlers received a daily average of 460,803 lbs. from 702 producers as compared with 415,281 lbs. from 721 producers during October 1959. Production per farm has increased 80 lbs. per day over October of last year. (See Schedule 3, page 4) The 597 producers using farm tanks, representing 85% of total producers, delivered 404,643 lbs. daily or 87.8% of total producer milk.

MILK SAMPLES TESTED - Composite 100 - Fresh 5,335 - Finished Products 227.

This is an average of 7.6 samples per producer used to determine butterfat content. The other samples procured are used by various agencies to determine milk solids, water, bacteria, sediment, antibiotics, etc. A sample is taken each time the milk is delivered and used for one of the above tests.

MILK BASE RULES

§ 1000.91 Base Rules. The following rules shall apply in connection with the establishment and assignment of bases:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
  1. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
  2. All base transfers shall be signed by the person receiving base.

(c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

The above rules are published in answer to recent inquiries that indicate producers are not fully aware of the order provisions with regard to bases and the effect changes in name listings may have on bases. If there are any questions concerning a milk base, please contact the Market Administrator's Office.

## COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Oct. '60</u>	<u>Sept. '60</u>	<u>Oct. '59</u>
Number of Plants (Pool and Non-Pool)	18	18	19
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	56,160	60,524	98,884
Producer Milk - Bulk Tank	404,643	393,259	316,397
Total Producer Milk Pounds	460,803	453,783	415,281
% Oct. '60 compared with	100.0	101.5	111.0
Other Source Milk Pounds	8,579	4,259	13,993
Other Order Milk Pounds	5,283	6,915	7,081
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>474,665</u>	<u>464,957</u>	<u>436,355</u>
% Oct. '60 compared with:	100.0	102.1	108.8
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	296,070	311,148	309,778
Buttermilk	37,514	38,839	41,054
Chocolate Milk	8,442	9,514	8,323
Fluid Skim	9,394	9,602	8,976
Cream Mixture ( $\frac{1}{2}$ & $\frac{1}{2}$ )	1,069	1,032	570
Light Cream (X)	543	556	805
Heavy Cream (XX)	539	574	611
Sour Cream	229	237	218
Bulk to Non-Handlers	3,584	11,555	14,922
Class I Shrinkage	934	3,385	3,275
Inventory Reclassification	(794)	(162)	(700)
Overstated Sales	(3)	-	(1)
Total Class I Milk	357,521	386,280	387,831
% Oct. '60 compared with:	100.0	92.6	92.2
Class II Milk Pounds (Used to Produce)			
Butter	10,247	4,028	2,216
Cottage Cheese	12,018	12,670	13,264
Powdered and Condensed Milk	54,223	31,673	10,512
Ice Cream	26,143	20,453	18,058
Inventory Variation	4,455	(1,710)	(6,487)
Other	10,058	11,563	10,961
Total Class II Milk	117,144	78,677	48,524
% Oct. '60 compared with:	100.0	148.9	241.4
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>474,665</u>	<u>464,957</u>	<u>436,355</u>
 % Producer Milk of Gross Class I	128.9	117.5	107.1
% Producer Skim of Gross Class I Skim	127.9	116.8	106.3
% Producer Butterfat of Gross Class I Butterfat	155.7	135.5	126.4
% Producer Milk Priced in Class I	76.5	84.0	90.2

OCTOBER 1960 TOTAL CLASS I UNIT SALES BY 14 POOL AND 4 NON-POOL PLANTS

	<u>GALS.</u>	<u><math>\frac{1}{2}</math> GALS.</u>	<u>QUARTS</u>	<u>PINTS</u>	<u><math>\frac{1}{2}</math> PINTS</u>	<u>PRODUCT LBS.</u>
Standard Milk	*	*	27,032	-	-	132,324
Homo Milk	185,478	1,103,361	527,644	379,368	2,165,659	9,045,861
Skim Milk	4,366	*	107,561	-	*	291,222
Buttermilk	6,553	150,016	200,599	19,502	17,202	1,162,923
Flavored Milk	-	*	38,905	111,171	109,017	261,689
Cream ( $\frac{1}{2}$ & $\frac{1}{2}$ )	-	-	4,570	21,760	*	33,147
Light Cream (X)	-	-	6,222	-	7,196	16,845
Heavy Cream (XX)	*	-	1,709	-	24,222	16,703
Sour Cream	192	-	-	*	9,775	7,088

\* Units omitted - Distributed by less than three handlers.

Reference may be made to April 1960 Bulletin for comparisons.



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR OCTOBER 1960

Based on 18 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,083,145	3.576		
Less Other Source		162,130	1.587		
Producer Milk Class I	76.5	10,921,015	3.605040	\$4.874032	\$532,293.77
Gross Class II		3,631,464	6.267		
Less Other Source		267,582	1.594		
Producer Milk Class II	23.5	3,363,882	6.638967	5.367277	180,548.86
TOTAL PROD. (Cl. I + Cl. II)	100.0	14,284,897	4.319485		712,842.63
Less Fractional Adjustment					.01
Add Compensatory Payment Value		23,190		0.45	104.36
Add Overage Value					5.84
Add Inventory Reclassification Value					168.76
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,528.61
TOTAL VALUE AT TEST		14,284,897	4.319485		718,650.19
Less Test Over 4% @ 7.6¢ per point		14,284,897	.319485	0.242809	34,685.02
TOTAL VALUE AT 4.0%		14,284,897	4.0	4.788030	683,965.17
Less Producer-Settlement Fund Reserve		14,284,897		.048030	6,861.04
UNIFORM PRICE f.o.b. POOL PLANT - 4%		14,284,897	4.0	\$4.74	\$677,104.13

OCTOBER 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
 BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$3.98	3.6%	\$4.436	4.2%	\$4.892	4.8%	\$5.348	5.4%	\$5.804
3.05	4.018	3.65	4.474	4.25	4.93	4.85	5.386	5.45	5.842
3.1	4.056	3.7	4.512	4.3	4.968	4.9	5.424	5.5	5.88
3.15	4.094	3.75	4.55	4.35	5.006	4.95	5.462	5.55	5.918
3.2	4.132	3.8	4.588	4.4	5.044	5.0	5.50	5.6	5.956
3.25	4.17	3.85	4.626	4.45	5.082	5.05	5.538	5.65	5.994
3.3	4.208	3.9	4.664	4.5	5.12	5.1	5.576	5.7	6.032
3.35	4.246	3.95	4.702	4.55	5.158	5.15	5.614	5.75	6.07
3.4	4.284	4.0	4.74	4.6	5.196	5.2	5.652	5.8	6.108
3.45	4.322	4.05	4.778	4.65	5.234	5.25	5.69	5.85	6.146
3.5	4.36	4.1	4.816	4.7	5.272	5.3	5.728	5.9	6.184
3.55	4.398	4.15	4.854	4.75	5.31	5.35	5.766	5.95	6.222

## NOVEMBER 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Nov. '60	Oct. '60	Nov. '59
Basic Formula (See page 4)	\$3.69	\$3.58	\$3.59
Plus (\$ 1000.51 (a) (1))	1.75	1.75	1.75
Supply-Demand Adjustment	(0.14)	(0.14)	0.02
Class I Price, 4.0% Butterfat	\$5.30	\$5.19	\$5.36
Per \$ 1000.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: September and October  
 Supply: Lbs. Producer Milk (Sept. 13,613,486 and Oct. 14,284,897) 27,898,383  
 Demand: Lbs. Net Class I Milk (Sept. 11,440,890 and Oct. 10,967,112) 22,408,002  
 Utilization Percentage: Producer milk divided by Class I 125  
 Standard Utilization Percentage: Range 114-118 118  
 Net Deviation Percentage: Utilization minus Standard Utilization plus 7  
 Supply-Demand Adjustment: 2 cents x 7 percentage points minus \$0.14

Since the supply in relation to the demand is more than the desired standard, the price is decreased 14 cents per hundredweight (2 cents x 7 percentage points).

## SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Oct. '59	\$4.94	-	-	8.0¢	\$5.14	8.2¢	\$3.59	7.2¢
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 <sup>2/</sup>	\$5.18	\$3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 <sup>2/</sup>	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 <sup>2/</sup>	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 <sup>2/</sup>	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 <sup>2/</sup>	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	-	-	-	-	5.30	7.9	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.					
Oct. '59	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of	Farm--Pounds			Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.Prod.	Prod.	Base	Exc.	Test %	
Oct. '59	387,831	374,731	415,281	-	436,355	19 721	576	-	-	4.30	
Nov.	361,259	349,558	410,745	-	429,673	19 716	574	-	-	4.46	
Dec.	353,852	349,128	409,090	-	423,765	19 713	574	-	-	4.45	
Jan. '60	356,801	352,832	418,023	-	428,334	19 713	586	-	-	4.41	
Feb.	365,338	358,744	411,790	-	428,440	19 704	585	-	-	4.39	
Mar.	364,784	360,301	388,659	369,056	412,314	19 701	554	526	28	4.43	
Apr.	364,048	359,098	443,554	393,065	457,996	19 702	632	560	72	4.19	
May	336,344	331,632	444,101	390,950	461,097	19 697	637	561	76	4.16	
June	327,515	322,519	390,059	360,248	406,662	19 695	561	518	43	4.11	
July	326,948	322,517	391,607	354,529	408,773	19 690	568	514	54	4.06	
Aug.	336,177	331,283	406,516	-	425,003	19 700	581	-	-	4.07	
Sept.	386,280	381,037	453,783	-	464,957	18 707	642	-	-	4.12	
Oct.	357,521	352,291	460,803	-	474,665	18 702	656	-	-	4.32	

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base